



INSIDE REGION 2

Spring 2003

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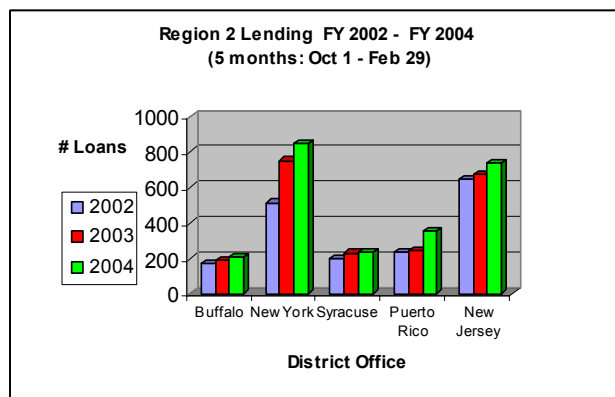
Michael Pappas, Regional Administrator
Region 2
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Region 2 Lending at All-Time High

Region 2 loan volume is at its highest level ever. During the first five months of fiscal year 2004 (Oct. 1 – Feb. 29), SBA Region 2 set a new lending record when compared against loan volume during the same time period of previous years, Regional Administrator Michael Pappas recently announced. Through February 29, 2004, the SBA guaranteed 2,386 loans for \$407.8 million. As a result, over 14,000 jobs have been created and/or retained region-wide. The previous five-month record of 2,095 loans for \$365.6 million was set in fiscal year 2003.

“Every Region 2 district office is ahead of their fiscal year 2003 lending volume,” said Pappas. “Administrator Barreto has challenged each office with ambitious lending goals. Our lending partners have stepped up to the plate to help the SBA reach more of the region’s small businesses.”



Total loans are up 14 percent over the same time period in fiscal year 2003. Total loan dollars are up 11.5 percent.

SBA Small Business Expo - Page 5!

2 Nat'l Small Biz Week Winners from Region 2

Two regional winners of SBA's annual Small Business Week awards competition have been selected as SBA's national winners and will be honored in Orlando, Florida in May. Administrator Hector Barreto announced the selection of Ms. Melissa Hull, owner of New Hope Christian Day Care in Brooklyn, New York, as the national Home-Based Business Champion award winner of 2004. Ms. Lourdes Aponte-Rosario, founder and president of the Hispanic Business Women's Alliance in Puerto Rico, was named national Women's Business Champion award winner of 2004. Both will be invited to SBA's Small Business Week Expo at the Orange County Convention Center in Orlando, Florida, May 19-21 in Orlando, Florida.

Regional Administrator Michael Pappas also announced the Region 2 Small Business Week champion winners. Each year, regional winners are selected from among the nominations submitted by each of Region 2's five district offices. The 2004 Region 2 winners are:

Entrepreneurial Success: Mr. Mark C. LaLonde, President, Hutchinson's Boat Works, Inc., Alexandria Bay, NY; **Small Business Exporter:** Mr. Herbert J. Ego, President, Biocube, Inc., Victor, NY; **Family-owned Business:** Ms. Judith M. Nadler, President, Inner-Pak Container Corp., Patchogue, NY; *(continued on page 2)*

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REGION 2 WINNERS

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Financial Services: Mr. Allen J. Naples, Regional President, HSBC Bank, USA, Syracuse, NY; **Home-Based Business:** Ms. Melissa Hull, Director, New Hope Christian Day Care, Brooklyn, NY; **Small Business Journalist:** Mr. Paul Lachhu, President & CEO, Caribbean Business Journal, South Orange, NJ; **Minority Small Business:** Ms. Mercedes Robaina, Business Mentoring Program Advisor, Union County Economic Development Corp., Union, NJ; **Veterans:** John Narciso, Captain, USN (Retired), Veterans Business Outreach Advisor, Small Business Development Center, Farmingdale, New York; **Women in Business:** Ms. Lourdes Aponte-Rosario, Founder and President, Hispanic Business Women's Alliance, San Juan, PR; **Young Entrepreneur:** Ms. Amanda Puppo, CEO, Market Reach Inc., Hightstown, NJ. Congratulations to all Region 2 winners!

News from Region 2

Brooklyn Borrower Takes Advantage of President's Tax Cuts

Joe Guido, president of Foro Marble, Inc. located in Brooklyn New York, has expanded the capabilities of his marble and granite business thanks to the expensing provisions of the President's Tax Relief package.



Above: Joe Guido (far left) demonstrates his new stone-cutting equipment to SBA Regional Administrator Michael Pappas and Regional Advocate Alan Steinberg.

Under the new Tax Relief law, Guido, whose firm makes custom marble and granite fireplaces, vanities

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and flooring, was able to purchase new stone-cutting equipment for \$50,000 and hire a full-time employee to run the equipment. As a result, Foro Marble has successfully bid on a Pfizer Chemical contract that would have eluded the company had they not purchased this equipment. Mr. Guido said that the tax write-off gave him the incentive to purchase the equipment, thereby making his business more competitive.

Following the terrorist attacks of September 11, 2001, Joe Guido received an Economic Injury Disaster Loan for \$239,000. Business is now operating at pre-9-11 levels and American Express recently visited Foro Marble to shoot a commercial for its "Open" Business Network.

Small Biz Conference Held in Syracuse

On Feb. 10, 2004, the Syracuse District Office cosponsored a Small Business Growth Seminar with Thomas Industrial Network, a firm that connects buyers and sellers of industrial products. The seminar, held in Albany, attracted 103 attendees representing 55 manufacturers and businesses providing support for manufacturing in the Capital District.



Above: Presenters at the SBA/ Thomas Network Business Growth Series workshop, from left to right, are: Albany County Executive Mike Breslin; Syracuse District Director B.J. Paprocki; Michael Grugnale and Kevin Burke from Thomas Network and Dan O'Connell, manager of SBA's Business Information Center in Albany.

The seminar focused on using the Internet to increase sales
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SYRACUSE

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and obtain capital for business growth. Speakers included Dan O'Connell, manager of the Albany Business Information Center, and staff from Empire State Certified Development Corp., a statewide 504 lender.

Buffalo Conference Targets Women, Minorities and Vets

For the eighth consecutive year, the Buffalo District Office hosted **Straight Talk 2004 – The Series**. The event is the district's premier seminar and outreach program for women, minorities and veterans. Straight Talk 2004 was held at the City Campus of Erie County Community College in downtown Buffalo. The conference was attended by 500 potential and existing business owners on January 25, 2004. Straight Talk is the end result of a cooperative effort between SBA, Service Corps of Retired Executives (SCORE), federal, state, county, and city agencies, economic development departments, lenders, and community partners including NAACP, Urban League and Black Chamber of Commerce.



Above: 500 entrepreneurs gather at Erie County Community College at Straight Talk 2004.

SBA in PR Helps Vets

The SBA Puerto Rico/USVI District Office has joined with the U.S. Department of Veterans Affairs (VA) and the Social Security Administration (SSA) to coordinate a series of workshops designed to increase entrepreneurial opportunities available to veterans in Puerto Rico. The next workshop will take place on Friday, April 2nd at the

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Veterans Hospital in Ponce, Puerto Rico. For more information or to register, please contact Ana M. Vera, at (787) 766-5422.

The SCORE Board

NJ SCORE Chap. 15 Forms Advisory Board

Recently, New Jersey SCORE Chapter 15 formed an **Advisory Board** to help the Chapter market its services to businesses in Essex, Union and Hudson counties. The board is comprised of lenders, economic development leaders, chambers of commerce, resource partners and members of the media. At the inaugural meeting, members of the Board exchanged ideas with SCORE on new ways to market the many programs and services SCORE has to offer the business community.



Above: Members of SCORE Chapter #15 discuss ways of improving outreach to Hudson, Union & Essex county small businesses.

"Sometimes you have to think outside the box," said Al Pearl, chairman of SCORE Chapter 15. "We believe the formation of this Advisory Board will help us develop new and fresh ideas on how to better serve our customer base."

SCORE One for Expansion

SCORE Chapter 15 has expanded its outreach to small businesses in West Caldwell. Frank Taylor, an experienced and successful entrepreneur, provides counseling to business owners at the North Essex Chamber of Commerce. To schedule an appointment, call the Chamber at 973-226-5500.

Small Business: America's Job Creators

The following is an opinion-editorial by Regional Administrator Michael Pappas.

The spirit of American entrepreneurship is alive and well. Our nation's small business owners are risk-takers whose vision, ingenuity and perseverance have made our nation strong and revitalized the national economy. The U.S. Small Business Administration recognizes that the small business community sustains and improves the quality of life for all citizens through economic growth and job creation.

As President George W. Bush has often said, "the role of government is to create an environment in which the entrepreneurial spirit flourishes." The President's recently enacted Jobs & Growth Tax Relief Act helps create such an environment. The contributions entrepreneurs make to our country are considerable and in recognition of the key role they play in our economic vitality, the President's plan delivers specific relief to small businesses and the opportunity for them to grow. This new law encourages small business owners to purchase the technology, machinery, and other equipment they need to expand, by providing an increase in the expensing for new investment from \$25,000 to \$100,000. As a result, new jobs will be created and people will work in jobs running equipment and manufacturing equipment.

With 25 million small businesses across the country accounting for two out of every three new jobs created, the benefits they generate for the economy are great. Let's consider the facts: Small businesses hire a larger proportion of workers who are younger, older, women, workers formerly on public assistance, and those who prefer to work part-time. Small businesses represent 90 percent of all employers in the United States and 53 percent of the private sector workforce. They receive 35 percent of all federal contract dollars, provide 55 percent of innovations, and account for 51 percent of private sector output.

The SBA is committed to fostering business formation and job creation in the small business sector. Administrator Hector Barreto has set ambitious goals for SBA offices nationwide to sharply increase lending, technical assistance and government contracting opportunities, particularly to America's traditionally underserved markets including women, minorities and veterans. The SBA is uniquely positioned to meet these challenges

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through a variety of lending, counseling, business development and procurement assistance programs.

Over the past 50 years, the SBA has helped more than 20 million entrepreneurs start, grow and expand their businesses, guaranteeing more than \$170 billion in direct and guaranteed loans. As small businesses continue to drive America's economic expansion and job creation, the SBA will continue to serve as their partner in government

Advocacy News

Advocacy Study Shows Small Businesses Hurt By Bank Consolidation

Bank consolidation can limit small business access to credit, according to a study recently released by SBA's Office of Advocacy. In regions with high levels of consolidation, the study found reductions in small business access to bank credit, especially in credit limits. However, small business overall debt levels remained steady as they turned to non-bank financial institutions for their credit needs.

"Since small banks provide a substantial share of credit to small firms, bank consolidation and how it relates to small business should be a real concern for policymakers," said Thomas M. Sullican, chief counsel for advocacy.

Written by Drs. Steven Craig and Pasuline Hardee, and funded by the Office of Advocacy, the study, titled *The Impact of Bank Consolidation on Small Business Credit Availability* uses data from the 1998 Survey of Small Business Finances to examine both credit access and credit levels of small businesses. The authors found that bank consolidation resulted in significant reductions in credit limits for small businesses, but that actual credit balances had fallen by much less.

Small firms are the source of three-quarters of the net new jobs and the bulk of their financing is from banks. Consequently, the effect of institutional change on small business credit is a major economic and job creation issue. For more information and a copy of the report, visit the Office of Advocacy web site at www.sba.gov/advo.

News from Washington

Online Registration For National SBW

Online attendee registration for the U.S. Small Business Administration's *SBA Expo '04: Celebrating National Small Business Week* is now available.

The annual celebration honoring the nation's leading small business entrepreneurs will be held in Orlando, Fla., May 19-21, 2004, at the Orange County Convention Center. Highlights of *SBA Expo '04*, co-sponsored by SCORE, "Counselors to America's Small Business," include the announcement of the *National Small Business Person of the Year*.

"This year's Small Business Week promises to be an outstanding event," Administrator Hector V. Barreto said. "*SBA Expo '04* will honor America's small business owners and their contributions to our economy and our country. It will also be an opportunity for small business owners from across the country to gather together, learn from each other, compete for contracts, and participate in three full days of events that can help them grow their own businesses."

Interested small business owners, business organizations, and other individuals may now register for *SBA Expo '04* events online at <http://www.sba.gov/50/>. Registrants who complete the process by April 17 will be rewarded with an "early bird" discount.

Special events scheduled include a business expo, a business matchmaking event, business seminars, a town hall meeting, and award ceremonies honoring women entrepreneurs and small business winners.

SBA Announces FY 2005 Budget Request

The SBA recently announced a fiscal year 2005 budget request of \$678.4 million that increases SBA loan authority for the agency's flagship lending program and strengthens the agency's most successful programs.

The budget requests \$12.5 billion in loan guarantee authority for the 7(a) program, a 30 percent increase over

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the fiscal year 2004 requested level, building on the SBA's record-breaking 2003, which saw an historic number of loans granted under the 7(a) program. "The SBA guaranteed a record number of loans last year, with double digit increases in the percentage of loans to women, Hispanics, African Americans and Asian Americans," said SBA Administrator Hector Barreto. "The budget request of \$12.5 billion will allow the SBA to build on the success we've had in this important loan program, and will provide more businesses with the capital needed to start up and expand."

The budget also includes a zero subsidy rate for the 7(a) program, due in part to the expiration of a temporary fee reduction passed by Congress. The result is a funding structure that will add stability to the program, which would no longer rely on an annual appropriation.

SBA Proposes New Size Standards Rule

The SBA has proposed new rules that will simplify the standards by which the SBA determines the size of a business. Under the proposed rules, size will be determined by number of employees in almost all cases and the number of different size categories will be reduced from 37 to just 10.

"The rules we have proposed will make all small business owners' dealings with the government simpler and easier and will help the SBA reach more small businesses," SBA Administrator Hector V. Barreto said.

The proposed rule has been published in the *Federal Register* with public comments due by May 18, 2004. For public comments on the proposed rule change, e-mail your comments to restructure.sizestandards@sba.gov.

Inside Region 2

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Region 2

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Copies of Inside Region 2 are distributed free of charge to SBA resource partners, service providers, small business owners and other advocates of small business. To request additional copies, or to be added to our mailing list, please contact Diana Parra at diana.parra@sba.gov.